

Town of



AMHERST *Massachusetts*

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To: Larry Shaffer, Town Manager

From: Stephanie O'Keeffe, Select Board Chair

Date: November 3, 2009

Re: FY11 Budget Policy Guidelines

At our Monday, November 2, 2009 meeting, the Select Board approved the following Budget Policy Guidelines for FY11, with a vote of 4 in favor and 1 absent.

OVERALL PHILOSOPHY FOR FY11: The Select Board supports maintaining core services at sustainable levels. We recognize that further reductions in service scope across many or all departments may be necessary to achieve sustainability. We believe that traditional program categories such as recreation and senior services are within that core and should not be eliminated. We consider intense evaluation of the current range of municipal services and their delivery methods to be critical for making decisions with the highest budget impact and lowest citizen impact. We are willing to consider distribution of cuts across the Town, School and Library budgets in other than the traditional "equal" distribution, if we believe the identified gains and losses would better serve the community.

ASKING FOR AN OVERRIDE: The Select Board will prepare a question for the March 23, 2010 Annual Town Election ballot asking voters to consider an override of the Proposition 2 ½ property tax limit. While the size and structure of the override question are not yet known, it is expected to be the smallest dollar amount necessary to maintain core services at sustainable levels in the near-term. We request that the Town Manager's proposed budget be balanced without using funds from potential passage of an override. Additionally, we request specific details on the cuts made to achieve that balance, and specific details on what the prioritized restorations would be if an override passes.

(continued)

EXPENSE REDUCTION: The Select Board continues to support regionalization, reorganization and reassigning services outside of the general fund when such initiatives would reduce costs and realize efficiencies. We recognize that without new revenue, broad-based cuts to programs and services are necessary. We consider the negotiation of labor contracts that the Town can afford and sustain to be of highest priority.

NEW REVENUE: We continue to support the pursuit of new revenue through expanded arrangements with the University and Colleges and through new and increased fees. We also continue to support actively pursuing economic development; and advocating for State legislation that improves local taxation options, increases aid to Amherst, or mitigates onerous mandated costs. Additionally, we support advocating for increased State revenues, such as higher income tax, in order to increase funds available for local aid.

CAPITAL: The Select Board recognizes the perils of inadequate investment in capital, and remains committed to Town financial guidelines that seek to incrementally increase the percentage of the budget allocated to capital, to achieve a goal of 10%. But we believe that the extenuating circumstances of the current financial situation will likely not allow for any increase this year. Additionally, we believe prudence requires that there be no decrease from the FY10 percentage. The Select Board continues to support funding capital investments by means other than the capital budget where possible, including through the use of Community Preservation Act funds, through shared purchasing and ownership with other towns or entities, and through bonding or borrowing for large long-term projects.

RESERVES: The Select Board opposes reserve use except as a last resort.